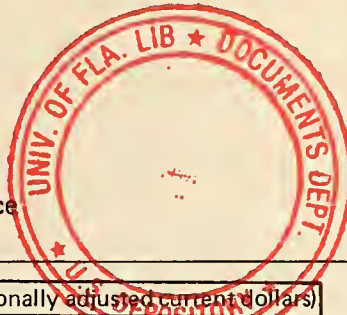


**Manufacturers' Shipments,  
Inventories, and Orders****AUGUST 1978**

M3-1(78)-8

For Release 2:30 P.M., Tuesday, October 3, 1978

**U.S. Department of Commerce  
BUREAU OF THE CENSUS****(All figures in text below are in seasonally adjusted current dollars)**

New orders for manufactured products rose 5.5 percent or \$6.8 billion to \$130.1 billion in August, the Department of Commerce, Bureau of the Census reported today. This increase followed declines in July of 3.4 percent or \$4.3 billion and in June of 0.7 percent or \$0.9 billion. Shipments of manufactured products, also following on a July decrease of 1.4 percent or \$1.7 billion, increased 3.3 percent or \$4.0 billion to \$127.1 billion. Since new orders received substantially exceeded shipments, the order backlog increased to \$219.8 billion, a rise of \$2.9 billion or 1.3 percent. Inventories of manufactured products increased in August by \$1.7 billion or 0.9 percent to \$192.9 billion, a slightly slower rate of increase than the 1.0 percent or better increases reported for the preceding 3 months.

The durable goods portion of the new orders amounted to \$71.0 billion and showed a \$5.8 billion or a 9.0 percent rise. Nearly 40 percent of that increase occurred in the aircraft and parts industry which reported a \$2.2 billion or 66 percent increase to \$5.5 billion. This increase follows a 42 percent or \$2.4 billion decline in July, however. Wide fluctuations in the aircraft data partially result from the difficulty in seasonally adjusting the data for this industry. This problem is discussed further at the end of the text.

However, excluding the transportation industries, durable goods new orders increased by 5.1 percent or \$2.6 billion. This follows declines in the previous 3 months. Increases were reported for virtually all major industry groups, with the largest increases in the nonferrous portion of the primary metals industries of \$0.6 billion or 15.9 percent to \$4.5 billion, fabricated metal products of \$0.7 billion or 9.9 percent to \$8.3 billion, and electrical machinery of \$0.7 billion or 8.9 percent to \$8.6 billion. The single decline reported in durable goods new orders occurred in instruments and related products.

New orders for nondefense capital goods increased by 11.7 percent or \$2.0 billion. Almost three-quarters of the increase was due to the aircraft and aircraft parts industries. The defense capital goods new orders increased by 48 percent or \$1.1 billion with the aircraft and aircraft parts industries also being the major contributor.

The increase in shipments of durable goods in August of \$3.0 billion or 4.6 percent to \$68.2 billion was reflected in all major industry groups. Transportation equipment rose \$0.8 billion or 5.2 percent to \$16.3 billion, fabricated metal products of \$0.7 billion or 9.3 percent to \$8.2 billion, machinery of \$0.5 billion or 2.7 percent to \$20.1 billion, and the nonferrous primary metal industry of \$0.4 billion or 10.7 percent to \$4.2 billion. The increase in shipments of nondurable goods was also reflected in all industries except chemicals where a \$0.2

billion or 2.3 percent decline to \$10.2 billion was reported. The 3.1 percent or \$0.5 billion shipments increase of nondefense capital goods to \$17.3 billion was accounted for by machinery, except electrical; communication equipment; and the aircraft industries.

The order backlog for durable goods increased \$2.8 billion or 1.4 percent to \$209.8 billion for August. The \$1.9 billion or 3.9 percent increase in aircraft and parts to \$50.7 billion and the \$0.6 billion or 2.5 percent increase in primary metal order backlog accounted for most of the rise. The other industries showed relatively small changes in their backlog.

Inventories of durable goods increased \$1.5 billion or 1.2 percent in August to \$125.4 billion. The increase in motor vehicles and parts of \$0.4 billion or 5.7 percent to \$8.3 billion, machinery except electrical of \$0.4 billion or 1.2 percent to \$29.4 billion, and blast furnaces and steel mill products of \$0.3 billion or 2.9 percent to \$9.4 billion accounted for most of the increase.

As cited above, the volatility of the aircraft and parts industry causes some difficulty in seasonally adjusting data for that industry. This and other industry series in the defense category are further complicated, relative to seasonal adjustment, by the shift in the Federal Government fiscal year in 1976. Modified seasonal adjustment factors were used to account for the change in the Federal Government's fiscal year from a July 1 through June 30 basis to an October 1 through September 30 basis. These factors were introduced in the July 1977 data and will continue to be used until a sufficient amount of data are available to assess the impact of the change in fiscal year. Further seasonal adjustment modifications are made for motor vehicle assembly plants which during July, August, and September, are closed down to allow for retooling for the forthcoming model year. Year-to-year variations in both the timing and duration of the model changeover period are sufficiently great that the normal seasonal adjustment procedures do not adequately identify the seasonality during the period and may introduce substantial erratic movements. To compensate for this, the estimated seasonally adjusted quarterly average is used for the seasonally adjusted data in each of the 3 months. The unadjusted data are not subject to any special adjustments.

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for September is scheduled for release on October 24, 1978 and the full report is scheduled for release on November 1, 1978.

Address inquiries concerning these figures to U.S. Department of Commerce, Bureau of the Census, Industry Division, Washington, D.C. 20233, or call Ruth Runyan or Kathleen Swindell, (301) 763-2502.

For sale by the Subscriber Services Section (Publications), Bureau of the Census, Washington, D.C. 20233, or any U.S. Department of Commerce district office. Postage stamps not acceptable; currency submitted at sender's risk. Remittances from foreign countries must be by international money order or by a draft on a U.S. bank. Price 30 cents per copy, \$3.60 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS FOR INDUSTRY GROUPS, MARKET CATEGORIES, AND SUPPLEMENTARY SERIES

(Millions of dollars)

SIC	Industry	Seasonally adjusted					Without seasonal adjustment <sup>1</sup>												Year to date	
		Monthly					Quarterly		Monthly											
		August 1978 <sup>b</sup>	July 1978 <sup>c</sup>	June 1978	May 1978	II 1978	I 1978	IV 1977	Last 4 months				Last 4 months (a year ago)				1978	1977		
									August 1978 <sup>b</sup>	July 1978 <sup>c</sup>	June 1978	May 1978	August 1977	July 1977	June 1977	May 1977				
		ALL MANUFACTURING, DURABLE AND NONDURABLE GOODS, TOTAL																		
	All manufacturing industries:	12,713	123,106	124,839	123,566	372,942	354,405	346,372	125,389	114,380	131,727	125,144	110,477	102,678	117,134	111,092	973,653	872,971		
	Total.....	110,821	107,596	108,952	107,595	324,796	309,133	302,042	111,590	101,195	114,187	108,311	98,640	89,966	101,301	96,267	850,081	761,934		
	Total for industries with unfilled orders.....	67,976	65,103	65,797	64,608	196,146	185,147	180,889	66,876	59,655	69,964	65,536	57,557	52,491	61,390	57,904	511,687	451,737		
	Durable goods industries, total.....	68,224	65,222	66,293	65,417	198,203	187,507	182,675	65,494	59,296	71,839	67,357	56,253	52,831	62,943	59,009	517,030	455,877		
	Durable goods with unfilled orders.....	54,913	52,241	53,057	51,893	157,909	149,000	145,142	53,586	47,838	56,955	52,976	45,550	41,896	49,516	46,542	412,529	361,287		
	Nondurable goods industries, total.....	58,907	57,884	58,546	58,149	174,739	166,898	163,697	59,895	55,084	59,888	57,787	54,224	49,847	54,191	52,083	456,623	417,099		
	Nondurable goods with unfilled orders.....	13,063	12,862	12,740	12,715	38,237	36,147	35,747	13,290	11,817	13,009	12,560	12,007	10,595	11,874	11,362	99,158	90,450		
		MARKET CATEGORIES AND SUPPLEMENTAL SERIES																		
	Market categories:	9,775	9,291	9,532	9,395	28,538	27,235	27,141	10,618	8,544	9,714	9,003	9,423	7,783	8,750	7,874	73,538	65,596		
	Home goods and apparel.....	22,539	22,300	22,545	22,554	67,579	64,753	62,777	22,709	21,434	22,874	22,158	20,640	18,923	20,570	19,568	175,078	158,963		
	Consumer staples.....	17,371	16,838	16,968	16,300	49,809	46,925	46,483	16,389	15,513	18,406	16,602	14,179	13,560	15,683	14,932	130,478	115,703		
	Equipment and defense products, except automotive.....	12,964	12,340	12,563	12,917	38,640	36,391	36,049	10,859	10,317	14,052	13,738	9,452	10,086	12,858	11,867	99,276	89,592		
	Automotive equipment.....																			
	Construction materials, supplies, and intermediate products.....	11,134	10,605	10,786	10,651	32,090	29,736	28,986	11,891	10,502	11,890	11,214	9,887	8,820	9,982	9,354	83,962	71,079		
	Other materials and supplies and intermediate products.....	53,348	51,732	52,445	51,749	156,286	149,365	144,936	52,923	48,070	54,791	52,429	46,896	43,506	49,791	47,497	411,321	372,038		
		Supplementary series: <sup>2</sup>																		
	Household durable goods industries.....	4,379	4,155	4,361	4,133	12,863	12,158	12,135	4,635	3,608	4,492	4,093	4,028	3,171	3,916	3,450	32,801	28,323		
	Capital goods industries.....	20,153	19,574	19,653	19,058	58,247	55,411	53,892	18,971	17,966	21,255	19,244	16,384	15,693	17,984	17,045	152,299	132,892		
	Nondefense.....	17,339	16,819	16,782	16,257	49,637	47,081	45,915	16,266	15,360	18,268	16,393	13,937	13,182	15,219	14,387	130,139	112,315		
	Defense.....	2,814	2,755	2,871	2,801	8,610	8,330	7,977	2,705	2,606	2,987	2,851	2,447	2,511	2,765	2,658	22,160	20,577		
		INDUSTRY GROUPS AND INDUSTRIES																		
	Durable goods industries:	3,778	3,644	3,720	3,710	11,087	9,873	9,160	4,067	3,581	4,039	3,809	3,294	2,865	3,259	3,001	28,415	23,139		
	Stone, clay, and glass products.....	302	275	294	346	979	862	863	326	282	318	350	380	272	310	286	2,450	2,394		
	Glass containers.....																			
	Primary metals, total.....	10,292	9,905	9,860	9,628	29,312	27,677	26,650	10,056	9,131	10,609	10,086	8,373	7,844	9,504	9,084	77,911	68,798		
	Blast furnaces, steel mills.....	5,042	5,030	5,062	4,942	14,972	13,778	13,406	5,016	4,678	5,366	5,105	4,277	3,997	4,875	4,513	39,437	34,330		
	Nonferrous and other primary metals.....	4,232	3,823	3,786	3,640	11,260	11,055	10,346	4,050	3,540	4,123	3,884	3,189	3,023	3,629	3,626	30,429	27,323		
	Fabricated metal prod., total.....	8,238	7,539	7,899	7,880	23,792	22,433	22,121	8,390	7,158	8,510	8,110	7,217	6,398	7,681	7,167	62,065	55,856		
	Metal cans, barrels, and drums.....	781	741	817	801	2,434	2,311	2,150	936	855	918	818	876	796	856	748	6,421	5,899		
	Machinery, except electrical, total.....	11,644	11,454	11,425	11,091	33,880	31,793	31,340	10,899	10,446	12,453	11,259	9,510	8,946	10,423	9,892	88,926	77,733		
	Engines and turbines.....	1,092	1,038	932	912	2,862	2,904	2,652	974	834	1,012	925	750	711	837	787	7,793	6,482		
	Farm machinery and equipment.....	1,015	941	964	914	2,781	2,604	2,617	898	771	1,049	968	819	713	958	957	7,572	7,485		
	Construction, mining, and material handling equipment.....	2,278	2,411	2,288	2,264	6,858	6,521	6,409	2,224	2,327	2,490	2,337	1,887	1,838	2,060	1,965	18,398	15,182		
	Metalworking machinery.....	723	680	676	634	1,979	1,827	1,683	639	594	751	655	488	465	604	506	5,160	4,139		
	General industrial machinery.....	934	933	921	913	2,787	2,632	2,640	885	866	1,010	936	869	743	850	838	7,262	6,483		

See footnotes at end of table.



Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS FOR INDUSTRY GROUPS, MARKET CATEGORIES, AND SUPPLEMENTARY SERIES--Continued

(Millions of dollars)

SIC	Industry	Seasonally adjusted					Without seasonal adjustment <sup>1</sup>												Year to date	
		Monthly			Quarterly		Monthly								Year to date					
		August 1978 <sup>b</sup>	July 1978 <sup>a</sup>	June 1978	May 1978	II 1978	I 1978	IV 1977	Last 4 months				Last 4 months (a year ago)				1977	1978		
									August 1978 <sup>b</sup>	July 1978 <sup>a</sup>	June 1978	May 1978	August 1977	July 1977	June 1977	May 1977				
INDUSTRY GROUPS, AND INDUSTRIES--Continued																				
36	Electrical machinery, total...	8,412	8,071	8,167	7,929	24,215	23,523	22,513	8,193	7,271	8,627	7,848	7,060	6,501	7,470	6,796	63,194	55,068		
361.2	Electrical transmission and distribution equipment and industrial apparatus...	1,485	1,512	1,423	1,391	4,262	4,345	4,013	1,433	1,325	1,532	1,413	1,264	1,126	1,375	1,285	11,535	10,065		
363	Household appliances...	1,025	942	1,041	995	3,101	2,944	2,718	1,058	939	1,131	1,009	886	860	964	776	8,031	6,568		
365	Radio and TV...	703	677	688	568	1,865	1,630	1,759	730	519	667	516	524	407	541	420	4,478	3,637		
366	Communication equipment...	2,353	2,178	2,324	2,185	6,671	6,343	5,947	2,215	1,989	2,439	2,215	1,812	1,753	1,993	1,806	17,484	14,718		
367	Electronic components...	1,231	1,264	1,221	1,229	3,679	3,626	3,500	1,180	1,121	1,248	1,219	1,158	1,094	1,259	1,225	9,650	9,487		
37	Transportation equipment, total...	16,310	15,510	15,887	15,971	48,146	45,272	44,330	13,799	13,185	17,540	16,833	11,837	12,712	15,833	14,825	123,572	111,037		
371	Motor vehicles and parts...	11,224	10,670	10,803	11,138	33,232	31,047	30,612	9,082	8,645	12,035	11,780	7,826	8,554	11,035	10,112	84,773	76,475		
372.6	Aircraft, missiles, and parts...	3,566	3,304	3,529	3,222	10,093	9,612	9,045	3,273	3,070	3,781	3,299	2,716	2,796	3,235	3,209	26,245	23,127		
3731	Shipbuilding and military tank vehicles...	665	684	632	668	1,998	1,827	1,882	622	654	688	691	539	589	649	600	5,063	4,739		
3795	Instruments and related products, total...	2,681	2,579	2,674	2,602	7,845	7,468	7,322	2,683	2,390	2,826	2,575	2,376	2,151	2,515	2,347	20,198	18,462		
381-4	Scientific and engineering...	1,536	1,474	1,555	1,481	4,497	4,350	4,182	1,502	1,348	1,643	1,490	1,290	1,199	1,394	1,347	11,757	10,464		
386	Photographic goods...	965	918	931	929	2,781	2,613	2,558	992	886	988	907	868	775	881	808	7,042	6,331		
24	All other durable goods industries...	6,869	6,520	6,661	6,606	19,926	19,468	19,239	7,407	6,134	7,235	6,837	6,586	5,414	6,258	5,897	52,729	45,779		
25																				
39																				
20	Nondurable goods industries: Food and kindred products, total...	17,908	17,599	17,844	18,015	53,634	51,000	49,264	17,994	16,983	18,024	17,778	16,200	15,037	16,205	15,402	138,745	125,537		
201	Meat products...	4,732	4,635	4,669	4,918	14,369	13,330	12,333	4,813	4,575	4,707	4,937	4,112	3,860	4,014	4,023	36,715	31,381		
208	Beverages...	2,178	2,101	2,043	1,992	6,163	5,825	5,586	2,191	2,194	2,349	2,074	1,907	1,907	2,115	1,874	16,235	14,757		
207	Fats and oils...	1,377	1,465	1,483	1,429	4,302	3,824	3,799	1,384	1,331	1,459	1,409	1,229	1,309	1,314	1,234	10,906	9,834		
203-6,9	All other foods...	7,180	7,045	7,268	7,325	21,776	21,374	20,908	7,194	6,595	7,159	7,010	6,719	5,822	6,577	6,065	56,453	52,173		
21	Tobacco products...	912	824	960	821	2,709	2,574	2,486	960	821	1,003	835	832	765	820	803	6,996	6,274		
22	Textile mill products...	3,745	3,639	3,606	3,697	11,279	10,604	10,599	3,784	3,100	3,818	3,743	3,483	2,859	3,563	3,416	28,826	26,404		
26	Paper and allied products, total...	4,862	4,861	4,815	4,796	14,361	13,736	13,206	5,011	4,592	5,066	4,803	4,501	4,064	4,639	4,407	37,901	34,956		
261-3	Pulp, paper, etc...	2,014	2,132	2,164	2,143	6,378	6,128	5,887	2,079	2,020	2,232	2,174	2,007	1,877	2,074	2,058	16,679	15,905		
265	Paperboard containers...	1,133	1,064	1,086	1,096	3,262	3,123	3,043	1,172	1,014	1,123	1,105	1,077	918	1,069	1,030	8,583	8,252		
264	All other paper containers...	1,715	1,665	1,565	1,557	4,721	4,485	4,276	1,760	1,558	1,711	1,524	1,417	1,269	1,496	1,319	12,639	10,799		
28	Chemicals and allied products, total...	10,162	10,399	10,719	10,433	31,689	30,593	29,117	10,212	9,605	11,161	10,841	9,465	8,669	9,930	9,844	83,938	76,100		
281.6	Industrial chemicals, except pigments...	3,502	3,483	3,563	3,503	10,518	10,112	9,981	3,471	3,270	3,691	3,636	3,258	3,054	3,449	3,328	28,110	26,261		
283.4	Drugs, soap, and toiletries...	2,723	2,873	2,837	2,786	8,360	8,214	7,847	2,780	2,589	2,920	2,594	2,547	2,232	2,588	2,352	21,819	19,669		
29	Petroleum and coal products...	8,840	8,600	8,590	8,443	25,272	24,191	24,827	8,904	8,679	8,721	8,273	8,083	8,087	7,964	7,757	66,959	62,801		
30	Rubber and plastics products, n.e.c...	3,428	3,258	3,283	3,235	9,832	9,531	9,630	3,455	3,001	3,491	3,306	3,094	2,797	3,275	3,125	26,195	24,347		
23	All other nondurable goods industries...	9,050	8,704	8,729	8,709	25,963	24,669	24,568	9,575	8,303	8,604	8,208	8,566	7,569	7,795	7,329	67,063	60,680		
31																				

<sup>a</sup> Preliminary.<sup>b</sup> Revised.<sup>1</sup> Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.<sup>2</sup> The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; radio and TV; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries--The capital goods industries series is comparable to the previous Producers' Capital goods and the Defense Products (old series) categories.

Nondefense products--Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances, radio and TV and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products--Based on separate reports on defense work filed by large defense contractors in the following industries: Ordnance, communication equipment, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 2.--VALUE OF MANUFACTURERS' NEW ORDERS FOR INDUSTRY GROUPS, MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

SIC	Industry	Seasonally adjusted					Without seasonal adjustment <sup>1</sup>										Year to date			
		Monthly			Quarterly		Monthly													
		Aug. 1978 <sup>p</sup>	July 1978 <sup>r</sup>	June 1978	May 1978	II 1978	I 1978	IV 1977	Last 4 months				Last 4 months (a year ago)				1978	1977		
									Aug. 1978 <sup>p</sup>	July 1978 <sup>r</sup>	June 1978	May 1978	Aug. 1977	July 1977	June 1977	May 1977				
		ALL MANUFACTURING, DURABLE AND NONDURABLE GOODS, TOTAL																		
	All manufacturing industries:	130,056	123,279	127,580	128,450	384,205	366,244	356,484	128,929	117,023	134,171	128,665	111,623	103,795	118,079	111,445	1,001,909	882,780		
	Total, excluding transportation, except automotive, and unfilled orders.....	111,554	108,053	109,627	110,431	330,512	317,018	306,590	112,767	102,875	115,099	110,612	99,985	91,043	101,370	96,770	867,495	769,920		
	Total for industries with unfilled orders.....	70,901	65,276	68,538	69,492	207,409	196,986	191,001	70,416	62,298	72,408	69,057	58,703	53,608	62,335	58,257	539,943	461,546		
	Durable goods industries, total.....	71,035	65,187	68,840	70,045	208,918	199,032	192,543	69,115	61,702	74,237	70,723	57,598	53,776	63,955	59,555	543,894	465,028		
	Durable goods with unfilled orders.....	57,724	52,206	55,604	56,521	168,624	160,525	155,010	57,207	50,244	59,353	56,342	46,895	42,841	50,528	47,088	439,393	370,443		
	Nondurable goods industries, total.....	59,021	58,092	58,740	58,405	175,287	167,212	163,941	59,814	55,321	59,934	57,942	54,025	50,019	54,124	51,890	458,015	417,752		
	Industries with unfilled orders.....	13,177	13,070	12,934	12,971	38,785	36,461	35,991	13,209	12,054	13,055	12,715	11,808	10,767	11,807	11,169	100,550	91,103		
	Industries without unfilled orders.....	45,844	45,022	45,806	45,434	136,502	130,751	127,950	46,605	43,267	46,879	45,227	42,217	39,252	42,317	40,721	357,465	326,649		
		MARKET CATEGORIES AND SUPPLEMENTARY SERIES																		
	Market categories:	9,859	9,177	9,398	9,422	28,555	27,389	27,379	10,687	8,742	9,738	9,093	9,716	8,116	8,802	8,019	74,284	66,636		
	Home goods and apparel.....	22,522	22,350	22,526	22,549	67,609	64,791	62,741	22,712	21,468	22,843	22,147	20,675	18,951	20,578	19,547	175,114	159,004		
	Consumer staples.....	19,213	16,204	18,317	19,295	56,035	53,262	52,410	18,443	16,343	19,621	18,530	13,897	14,101	17,163	14,956	143,906	118,392		
	Equipment and defense products, except automotive.....	13,030	12,209	12,612	13,018	38,801	36,891	36,362	11,135	10,356	14,058	13,805	9,765	10,163	12,931	11,967	100,135	90,779		
	Automotive equipment.....	10,930	10,437	10,690	10,600	32,508	30,825	29,527	11,755	10,466	11,910	11,118	10,018	8,845	10,080	9,483	85,256	71,642		
	Construction materials, supplies, and intermediate products, other materials and supplies and intermediate products....	54,502	52,902	54,037	53,566	160,697	153,086	148,065	54,197	49,648	56,001	53,972	47,552	43,619	48,525	47,473	423,214	376,327		
	Supplementary series: <sup>2</sup>	4,429	4,039	4,263	4,150	12,926	12,254	12,389	4,699	3,786	4,539	4,172	4,335	3,474	3,956	3,590	33,439	29,284		
	Household durable goods industries.....	22,429	19,355	21,592	22,202	65,234	61,912	61,451	21,505	19,501	22,835	21,294	16,285	16,070	19,265	17,117	167,743	136,337		
	Capital goods industries.....	19,065	17,074	18,155	18,124	53,688	51,900	49,175	18,786	16,821	19,281	17,768	14,292	13,721	16,534	14,666	141,654	117,253		
	Nondefense.....	3,364	2,281	3,437	4,078	11,546	10,012	12,276	2,719	2,680	3,554	3,526	1,993	2,349	2,731	2,451	26,089	19,084		
	Defense.....																			
		INDUSTRY GROUPS AND INDUSTRIES																		
	Durable goods industry:	3,695	3,587	3,763	3,645	11,129	10,121	9,327	3,968	3,519	4,092	3,734	3,304	2,827	3,240	3,031	28,688	23,387		
	Stone, clay and glass.....	10,384	10,095	10,428	10,754	31,490	30,031	27,311	10,729	9,196	11,019	11,024	8,805	7,854	8,831	9,130	83,589	70,715		
	Primary metals, total.....	5,213	5,151	5,451	5,845	16,627	15,616	13,734	5,299	4,753	5,743	5,821	4,532	4,020	4,352	4,628	43,454	35,760		
	Blast furnaces, steel mills, nonferrous and other primary metal products.....	4,462	3,850	3,954	3,811	11,722	11,401	10,623	4,256	3,474	4,163	4,074	3,339	2,972	3,493	3,533	31,633	27,612		
	Fabricated metal products.....	8,269	7,524	7,736	8,023	24,537	23,442	22,591	8,528	7,369	8,583	8,175	7,254	6,447	7,749	7,220	64,054	56,026		
	Machinery, except electrical, total.....	11,671	11,669	11,477	11,872	34,885	33,618	32,769	11,223	11,022	12,562	11,951	10,082	9,182	10,997	9,928	92,584	79,883		
	Engines and turbines.....	1,089	751	764	995	2,651	2,865	2,946	1,000	741	837	940	781	782	845	621	7,273	6,191		
	Construction, mining, and material handling equipment.....	2,073	2,523	2,095	2,393	7,068	7,086	6,795	2,061	2,470	2,403	2,510	2,007	1,809	2,100	2,006	19,257	15,323		
	Metalworking machinery....	778	913	799	887	2,350	2,240	1,908	832	802	878	658	608	536	617	670	4,306	4,576		
	General industrial machinery.....	876	983	1,008	856	2,701	2,770	2,669	901	936	1,056	812	942	706	958	768	7,352	6,826		

See footnotes at end of table.

Table 2.--VALUE OF MANUFACTURERS' NEW ORDERS FOR INDUSTRY GROUPS, MARKET CATEGORIES AND SUPPLEMENTARY SERIES--Continued

(Millions of dollars)

SIC	Industry	Seasonally adjusted					Without seasonal adjustment <sup>1</sup>										Year to date				
		Monthly					Quarterly					Monthly									
		Aug. 1978 <sup>b</sup>	July 1978 <sup>r</sup>	June 1978	May 1978	II 1978	I 1978	IV 1977	Last 4 months				Last 4 months (a year ago)								
									Aug. 1978 <sup>b</sup>	July 1978 <sup>r</sup>	June 1978	May 1978	Aug. 1977	July 1977	June 1977	May 1977					
INDUSTRY GROUPS AND INDUSTRIES--Continued																					
36	Electrical machinery, total...	8,602	7,902	8,239	8,352	25,217	25,213	23,623	8,503	7,583	8,788	8,175	7,374	6,901	7,650	7,242	66,466				
361,2	Electrical transmission and distribution equipment and industrial apparatus.....	1,502	1,431	1,444	1,371	4,315	4,735	4,160	1,491	1,352	1,512	1,372	1,256	1,147	1,255	1,281	12,058				
363	Household appliances.....	1,022	918	1,027	984	3,053	3,025	2,746	1,048	952	1,121	1,001	860	916	974	785	10,115				
365	Radio and TV.....	829	589	695	564	2,013	1,526	1,764	876	509	741	534	778	427	594	453	6,679				
366	Communication equipment.....	2,462	1,974	2,336	2,575	7,217	7,100	6,675	2,323	2,026	2,457	2,422	1,766	1,996	2,067	2,102	4,682				
367	Electronic components.....	1,168	1,437	1,280	1,274	3,977	4,147	3,665	1,169	1,330	1,361	1,349	1,273	1,154	1,390	1,316	15,474				
37	Transportation equipment, total.....	18,502	15,226	17,953	18,019	53,693	49,226	49,934	16,162	14,148	19,072	18,053	11,638	12,752	16,709	14,675	10,829				
372,6	Aircraft, missiles, and parts.....	5,475	3,298	5,677	4,832	15,452	11,735	13,042	5,292	3,959	5,233	4,349	2,724	2,970	4,097	3,071	112,860				
3731	Shipbuilding and military tank vehicles.....	579	422	301	636	1,377	2,787	2,821	358	506	519	468	81	382	609	406	34,510				
3795																	24,851				
38	Instruments and related products.....	2,650	2,712	2,689	2,718	8,050	7,753	7,481	2,695	2,551	2,909	2,675	2,470	2,188	2,510	2,316	3,632				
24	All other durable goods industries.....	6,762	6,472	6,555	6,662	19,917	19,628	19,507	7,307	6,314	7,212	6,936	6,671	5,625	6,249	6,013	20,926				
25																	18,799				
39																	46,518				

<sup>1</sup>Preliminary.<sup>2</sup>Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.<sup>3</sup>The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; radio and TV; ophthalmic goods, watches, and clocks and miscellaneous personal goods.

Capital goods industries - The capital goods industries is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products--Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances, radio and TV and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products--Based on separate reports on defense work filed by large defense contractors in the following industries: Ordnance, communication equipment, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.



Table 3.--VALUE OF MANUFACTURERS' UNFILLED ORDERS FOR INDUSTRY GROUPS, MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

SIC	Industry	Seasonally adjusted				Quarterly				Without seasonal adjustment <sup>1</sup>								
		Monthly				I 1977				Last 4 months				Monthly				
		August 1978 <sup>a</sup>	July 1978 <sup>a</sup>	June 1978	May 1978	I 1978	II 1977	III 1977	IV 1977	August 1978 <sup>b</sup>	July 1978 <sup>c</sup>	June 1978	May 1978	August 1977	July 1977	June 1977	May 1977	
		ALL MANUFACTURING, DURABLE AND NONDURABLE GOODS. TOTAL																
	All manufacturing industries:	219,848	216,922	216,754	214,010	205,500	183,547	182,816	178,469	221,285	217,738	215,098	212,654	183,813	182,667	181,550	180,605	
	Total.....	147,911	147,177	146,725	146,047	141,020	133,132	128,624	126,598	149,593	148,411	146,734	145,819	129,014	127,669	126,592	126,523	
	Durable goods industries, total.....	209,839	207,026	207,067	204,516	196,359	184,834	174,966	174,363	211,339	207,714	205,310	202,915	175,296	173,951	173,006	171,994	
	Nondurable goods industries, total.....	10,009	9,896	9,687	9,494	9,141	8,825	8,581	8,453	9,946	10,024	9,788	9,739	8,517	8,716	8,544	8,611	
		MARKET CATEGORIES AND SUPPLEMENTARY SERIES																
	Market categories:	4,332	4,266	4,329	4,483	4,285	3,889	3,498	3,381	4,665	4,591	4,360	4,367	4,211	3,883	3,522	3,462	
	Home goods and apparel.....	136,449	134,172	134,393	132,453	127,402	113,340	114,138	110,365	136,583	134,046	132,509	130,932	112,999	113,098	112,721	111,440	
	Consumer staples.....	96,747	95,021	94,768	93,395	90,712	85,893	82,265	79,490	97,472	94,950	93,488	92,476	82,204	81,849	81,310	79,995	
	Equipment and defense products, except automotive.....	39,702	39,151	39,625	39,058	36,690	30,707	31,873	30,875	39,111	39,096	39,021	38,456	30,795	31,249	31,411	31,445	
	Automotive equipment.....	19,897	20,102	20,269	20,366	19,852	18,224	18,310	18,085	20,057	20,193	20,230	20,208	18,426	18,295	18,270	18,172	
	Construction materials, supplies, and intermediate products.....	70,769	69,616	68,448	66,855	64,037	60,315	57,186	55,813	71,440	70,166	68,588	67,378	56,679	56,023	55,910	56,676	
	Supplementary series: <sup>2</sup>	3,481	3,431	3,546	3,644	3,486	3,389	3,135	2,796	2,702	3,831	3,767	3,589	3,544	3,131	2,828	2,788	
	Household durable goods industries.....	136,449	134,172	134,393	132,453	127,402	120,899	113,340	110,365	136,583	134,046	132,509	130,932	112,999	113,098	112,721	111,440	
	Capital goods industries.....	96,747	95,021	94,768	93,395	90,712	85,893	82,265	79,490	97,472	94,950	93,488	92,476	82,204	81,849	81,310	79,995	
	Nondefense.....	39,702	39,151	39,625	39,058	36,690	35,006	30,707	30,875	39,111	39,096	39,021	38,456	30,795	31,249	31,411	31,445	
	Defense.....	INDUSTRY GROUPS AND INDUSTRIES																
	Durable goods industry:	2,789	2,872	2,928	2,886	2,887	2,640	2,473	2,467	2,360	2,813	2,912	2,975	2,921	2,479	2,507	2,526	
32	Stone, clay and glass.....	23,824	23,232	23,043	22,476	20,866	18,513	17,852	17,014	17,322	24,045	23,372	23,307	22,897	17,657	17,225	17,868	
33	Primary metals, total.....	15,636	15,464	15,344	14,955	13,689	11,852	11,524	11,002	11,158	15,855	15,572	15,497	15,120	11,393	11,115	11,638	
331	Blast furnaces, steel mills.....	6,414	6,184	6,158	5,990	5,696	5,350	5,073	4,829	5,067	6,421	6,215	6,281	6,242	5,025	4,926	5,062	
333-6,9	Nonferrous and other primary metal products.....	24,972	24,941	24,956	25,118	24,213	23,203	22,733	23,047	23,051	25,200	25,062	24,852	24,778	23,011	22,962	22,894	
34	Fabricated metal products.....	50,296	50,268	50,055	50,001	49,044	47,221	45,792	45,135	44,536	50,814	50,488	49,911	49,802	45,251	45,015	44,441	
35	Machinery, except electrical, total.....	16,200	16,203	16,491	16,658	16,699	16,738	16,444	16,286	16,371	16,321	16,295	16,389	16,564	16,268	16,197	16,189	
351	Engines and turbines.....	7,484	7,689	7,577	7,771	7,369	6,805	6,419	6,331	6,510	7,626	7,789	7,645	7,732	6,480	6,389	6,349	
353	Construction, mining, and material handling equipment.....	4,619	4,563	4,330	4,206	3,958	3,345	3,320	3,160	2,950	4,697	4,504	4,295	4,169	3,207	3,136	3,082	
354	Metalworking machinery.....	6,734	6,792	6,741	6,655	6,827	6,689	6,660	6,752	6,608	6,781	6,765	6,694	6,648	6,336	6,700	6,592	
356	General industrial machinery																	

See footnotes at end of table.

Table 3.--VALUE OF MANUFACTURERS' UNFILLED ORDERS FOR INDUSTRY GROUPS, MARKET CATEGORIES AND SUPPLEMENTARY SERIES--Continued

(Millions of dollars)

SIC	Industry group	Seasonally adjusted					Without seasonal adjustment <sup>1</sup>											
		Monthly			Quarterly				Monthly									
		August 1978 <sup>2</sup>	July 1978 <sup>2</sup>	June 1978	May 1978	I 1978	IV 1977	III 1977	II 1977	I 1977	August 1978 <sup>2</sup>	July 1978 <sup>2</sup>	June 1978	May 1978	August 1977	July 1977	June 1977	May 1977
INDUSTRY GROUPS AND INDUSTRIES--Continued																		
36	Electrical machinery, total...	28,547	28,358	28,529	28,455	27,526	25,833	24,723	24,420	23,505	28,920	28,610	28,298	28,138	24,939	24,625	24,225	24,045
361.2	Electrical transmission and distribution equipment and industrial apparatus.....	6,394	6,376	6,457	6,436	6,406	6,017	5,870	5,943	6,007	6,485	6,427	6,399	6,419	5,903	5,911	5,890	6,010
363	Household appliances.....	372	376	400	414	448	368	340	332	312	414	424	411	422	372	398	342	332
365	Radio and TV.....	623	497	548	530	400	503	498	425	343	695	569	559	485	708	454	434	381
366	Communication equipment.....	13,544	13,435	13,640	13,627	13,093	12,333	11,605	11,519	10,788	13,513	13,406	13,368	13,350	11,494	11,540	11,223	11,297
367	Electronic components.....	6,755	6,818	6,646	6,586	6,347	5,826	5,661	5,456	5,354	6,917	6,927	6,719	6,606	5,688	5,573	5,513	5,382
37	Transportation equipment, total.....	71,937	69,745	70,029	67,963	64,480	60,527	54,923	56,218	53,083	71,692	69,327	68,364	66,835	54,799	54,998	54,958	54,082
372.6	Aircraft, missiles, and parts.....	50,659	48,751	48,756	46,608	43,396	41,275	37,278	37,677	34,558	50,128	48,108	47,218	45,768	36,714	36,706	36,532	35,670
3731	Shipbuilding and military tank vehicles.....	9,602	9,687	9,949	10,281	10,570	9,610	8,671	9,476	9,956	9,595	9,858	10,006	10,175	8,859	9,317	9,524	9,564
3795	Instruments and related products.....	4,600	4,630	4,497	4,482	4,293	4,007	3,848	3,656	3,712	4,703	4,691	4,531	4,448	3,814	3,720	3,683	3,688
25	All other durable goods industries.....	2,874	2,980	3,030	3,135	3,050	2,890	2,622	2,406	2,369	3,152	3,252	3,072	3,096	2,737	2,652	2,441	2,450
39																		

<sup>1</sup>Preliminary. <sup>2</sup>Revised.

Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and inventories are of the end of the period and are not adjusted for trading-day or calendar-month variations.

<sup>3</sup>The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; radio and TV; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and machine shops), electrical machinery (excluding household appliances, radio and TV and electronic components), the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: Ordnance, communication equipment, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-1/5, Shipments of Defense-Oriented Industries, for the specified industries.

<sup>4</sup>Beginning in 1976, the fiscal year for the Federal Government probably affected the awarding of contracts and other financial arrangements. Although the impact of this change is not known, the use of previously established seasonal factors would have substantially distorted the current data since these seasonal factors reflect historical Government purchasing patterns. Therefore, beginning in July 1977, new composite seasonal factors were developed by combining the existing end of fiscal year information with data for the previous calendar quarter (i.e., one quarter preceding the end of the fiscal year). These composite factors were applied to the unfilled orders data for each of the separately tabulated defense industries. This adjustment also modified the new orders data. Similar adjustments could not be made for nondefense Government orders since such data are not compiled separately. This method of calculating the seasonal factors will be used until a sufficient amount of data are available to assess the impact of the change in the fiscal year on the seasonal pattern of the defense industries.

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES FOR INDUSTRY GROUPS, MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

SIC	Industry	Without seasonal adjustment <sup>1</sup>															
		Seasonally adjusted				Monthly											
		Monthly				Quarterly				Last 4 months							
		August 1978 <sup>a</sup>	July 1978 <sup>a</sup>	June 1978	May 1978	I 1978	II 1977	III 1977	IV 1977	I 1977	August 1978 <sup>a</sup>	July 1977	June 1977	May 1977			
ALL MANUFACTURING, DURABLE AND NONDURABLE GOODS, TOTAL																	
	All manufacturing industries:	192,851	191,167	189,557	187,689	183,860	179,714	179,011	176,468	172,536	191,263	189,439	188,499	176,603	175,611	175,760	176,457
	Total, excluding transportation,.....	169,264	168,157	166,773	164,946	161,733	158,456	157,519	155,499	151,811	167,733	166,993	166,467	165,920	155,307	155,175	155,515
	Total for industries with unfilled orders,.....	131,734	130,106	128,656	127,314	124,226	120,701	119,997	118,141	115,801	131,152	129,637	129,047	128,518	119,043	118,367	118,658
	Durable goods industries, total,.....	125,374	123,830	122,688	121,471	118,725	115,424	114,467	112,536	110,579	124,602	123,160	122,891	122,540	113,240	112,537	113,066
	Durable goods with unfilled orders,.....	116,217	114,475	113,267	112,079	109,358	106,263	105,640	103,771	101,812	115,496	113,799	113,415	113,037	104,522	103,716	104,133
	Nondurable goods industries, total,.....	67,477	67,337	66,869	66,218	65,135	64,290	64,544	63,932	61,957	66,661	66,279	65,995	65,959	63,363	63,074	63,397
	Nondurable goods with unfilled orders,.....	15,517	15,631	15,389	15,235	14,868	14,438	14,357	14,370	13,989	15,656	15,838	15,632	15,481	14,651	14,601	14,525
MARKET CATEGORIES AND SUPPLEMENTAL SERIES																	
	Market categories:	16,828	16,707	16,276	16,183	15,947	15,340	15,260	15,253	14,974	16,894	17,012	17,008	16,766	15,430	15,916	15,831
	Home goods and apparel,.....	25,385	25,366	25,407	24,928	24,157	23,942	24,626	24,137	23,320	24,988	24,413	24,330	24,393	23,738	23,076	23,454
	Consumer staples,.....	47,992	47,339	46,761	46,155	44,645	42,836	41,729	40,693	40,095	47,612	47,074	46,756	46,500	41,051	40,840	40,999
	Equipment and defense products, except automotive,.....	10,555	10,106	10,265	10,297	10,256	10,108	10,257	10,098	9,794	10,421	9,529	9,952	10,145	10,043	9,421	9,770
	Automotive equipment,.....																
	Construction materials, supplies, and intermediate products,.....	16,392	16,299	16,293	16,091	15,853	14,935	14,777	14,535	14,594	16,370	16,284	16,224	16,215	14,620	14,633	14,746
	Other materials and supplies and intermediate products,....	75,699	75,350	74,555	74,035	73,002	72,553	72,362	71,752	69,759	74,978	75,127	74,576	74,480	71,721	72,034	71,657
Supplementary series:																	
	Household durable goods industries,.....	8,623	8,574	8,307	8,301	8,116	7,771	7,814	7,747	7,539	8,641	8,682	8,581	8,557	7,836	7,861	7,997
	Capital goods industries,.....	52,856	52,112	51,399	50,512	48,772	46,677	45,544	44,665	43,926	52,539	51,849	51,447	50,956	44,949	44,613	44,964
	Nondefense,.....	45,949	45,227	44,583	43,649	42,151	40,294	39,231	38,348	37,675	45,541	44,858	44,583	44,086	38,518	38,210	38,708
	Defense,.....	6,907	6,885	6,816	6,863	6,621	6,383	6,313	6,317	6,251	6,998	6,991	6,864	6,870	6,403	6,361	6,256
INDUSTRY GROUPS AND INDUSTRIES																	
	Durable goods industries:	4,699	4,606	4,569	4,570	4,530	4,259	4,219	4,123	4,006	4,638	4,628	4,608	4,674	4,134	4,209	4,199
32	Stone, clay, and glass products,.....	526	504	491	480	485	414	419	435	404	516	513	495	483	415	457	435
322	Glass containers,.....																
33	Primary metals, total,.....	17,523	17,335	17,209	17,060	16,828	17,779	18,082	17,961	17,693	17,292	17,293	17,277	17,220	17,858	18,070	17,989
331	Blast furnaces, steel mills,.....	9,390	9,126	8,978	8,879	8,721	9,782	10,244	10,314	10,169	9,277	9,081	8,969	8,897	10,193	10,326	10,285
333-6,9	Nonferrous and other primary metals,.....	6,925	6,987	7,000	6,974	6,893	6,826	6,685	6,561	6,449	6,835	7,008	7,056	7,072	6,578	6,660	6,593
34	Fabricated metal prod., total,.....	16,389	16,313	16,130	15,992	15,573	14,760	14,732	14,415	14,105	16,339	16,382	16,197	16,196	14,676	14,635	14,490
341	Metal cans, barrels, and drums,.....	1,286	1,353	1,398	1,422	1,382	1,395	1,299	1,248	1,235	1,285	1,445	1,513	1,557	1,292	1,360	1,374
35	Machinery, except electrical, total,.....	29,413	29,062	28,766	28,279	27,400	26,379	25,431	25,060	24,600	29,051	28,793	28,794	28,531	24,998	25,002	25,036
351	Engines and turbines,.....	2,341	2,332	2,388	2,320	2,226	2,083	2,059	2,119	1,975	2,308	2,293	2,293	2,333	2,037	2,106	2,065
352	Farm machinery and equipment	2,352	2,423	2,460	2,492	2,499	2,505	2,491	2,415	2,345	2,301	2,386	2,468	2,537	2,431	2,455	2,455
353	Construction, mining, and material handling equipment	6,598	6,493	6,322	6,166	5,953	5,840	5,602	5,473	5,555	6,486	6,415	6,315	6,190	5,428	5,413	5,519
354	Metalworking machinery,....	1,862	1,873	1,852	1,810	1,797	1,775	1,717	1,710	1,690	1,864	1,852	1,831	1,823	1,691	1,693	1,743
356	General industrial machinery	3,017	2,974	2,899	2,844	2,806	2,731	2,570	2,523	2,392	2,999	2,980	2,939	2,881	2,526	2,536	2,522

See footnotes at end of table.



Table 4.--VALUE OF MANUFACTURERS' INVENTORIES FOR INDUSTRY GROUPS, MARKET CATEGORIES AND SUPPLEMENTARY SERIES--Continued

SIC		(Millions of dollars)																	
		Seasonally adjusted						Without seasonal adjustment <sup>1</sup>											
		Monthly			Quarterly			Monthly											
		August 1978 <sup>p</sup>	July 1978 <sup>r</sup>	June 1978	May 1978	I 1978	IV 1977	III 1977	II 1977	I 1977	August 1978 <sup>r</sup>	July 1978 <sup>r</sup>	June 1978	May 1978	August 1977	July 1977	June 1977	May 1977	
		INDUSTRY GROUPS AND INDUSTRIES																	
36	Electrical machinery, total...	16,886	16,758	16,628	16,445	16,023	15,433	15,173	14,884	14,404	16,871	16,817	16,925	16,793	15,027	14,914	15,151	15,048	
361,2	Electrical transmission and distribution equipment	3,133	3,089	3,150	3,063	2,976	2,959	2,862	2,824	2,773	3,113	3,090	3,155	3,088	2,803	2,814	2,828	2,844	
363	Household appliances...	2,046	2,034	1,953	1,991	1,878	1,771	1,734	1,724	1,656	1,997	2,060	2,071	2,093	1,700	1,730	1,730	1,857	
365	Radio and TV...	983	1,019	1,019	1,041	1,029	964	921	907	869	1,042	1,072	1,083	1,083	987	953	951	1,822	
366	Communication equipment...	5,318	5,200	5,168	5,103	4,961	4,819	4,601	4,378	4,193	5,324	5,183	5,190	5,165	4,492	4,410	4,402	4,374	
367	Electronic components...	2,525	2,539	2,525	2,542	2,495	2,413	2,467	2,412	2,368	2,520	2,544	2,538	2,548	2,458	2,434	2,425	2,363	
37	Transportation equipment, total...	23,587	23,010	22,784	22,743	22,127	21,492	20,969	20,725	20,725	23,530	22,446	22,379	22,579	21,296	20,436	20,583	20,942	
371	Motor vehicles and parts...	8,277	7,828	8,003	8,037	8,019	7,851	8,024	7,905	7,651	8,219	7,334	7,731	7,884	7,888	7,329	7,640	7,609	
372,6	Aircraft, missiles, and parts...	11,639	11,591	11,251	11,150	10,554	10,089	10,190	10,065	10,076	11,633	11,499	11,128	11,132	10,234	10,081	9,971	10,098	
3731	Shipbuilding and military tank vehicles...	1,850	1,816	1,761	1,828	1,840	1,618	1,579	1,435	1,446	1,877	1,883	1,797	1,842	1,555	1,476	1,448	1,724	
38	Instruments and related products, total...	6,284	6,199	6,203	6,140	6,087	5,727	5,642	5,436	5,410	6,305	6,237	6,279	6,220	5,617	5,580	5,506	5,545	
381-4	Scientific and engineering...	4,044	3,983	3,965	3,960	3,880	3,698	3,627	3,463	3,400	4,020	3,979	3,997	3,988	3,543	3,532	3,492	3,480	
386	Photographic goods...	1,755	1,738	1,757	1,708	1,703	1,584	1,569	1,529	1,517	1,790	1,773	1,789	1,747	1,623	1,592	1,558	1,592	
24	All other durable goods industries...	10,593	10,547	10,399	10,242	10,157	9,829	9,696	9,688	9,636	10,576	10,564	10,432	10,327	9,634	9,691	9,727	9,811	
20	Nondurable goods industries: Food and kindred products, total...	16,507	16,525	16,643	16,436	15,968	15,575	16,268	16,614	16,099	16,108	15,662	15,582	15,858	15,710	15,431	15,566	16,155	
201	Meat products...	1,498	1,458	1,420	1,448	1,386	1,286	1,398	1,423	1,384	1,441	1,440	1,437	1,495	1,340	1,426	1,442	1,479	
207	Beverages...	3,104	3,062	3,063	3,074	2,982	2,941	3,038	2,901	2,893	3,014	2,973	2,916	3,070	2,877	2,999	2,916	2,916	
208	Fats and oils...	1,366	1,384	1,482	1,594	1,584	1,357	1,394	1,945	1,998	1,134	1,238	1,372	1,255	1,162	1,162	1,804	2,064	
203-6,9	All other foods...	10,539	9,342	9,402	9,051	8,826	8,836	9,286	9,138	8,710	10,519	8,698	8,480	8,454	9,009	8,321	8,495	8,495	
21	Tobacco products...	3,348	3,385	3,501	3,477	3,405	3,524	3,531	3,486	3,399	3,107	3,057	3,287	3,411	3,204	3,163	3,273	3,374	
22	Textile mill products...	5,544	5,542	5,475	5,433	5,445	5,294	5,303	5,399	5,265	5,558	5,563	5,553	5,563	5,364	5,413	5,480	5,504	
26	Paper and allied products, total...	5,816	5,939	5,869	5,798	5,664	5,622	5,634	5,547	5,331	5,801	5,963	5,904	5,880	5,628	5,624	5,585	5,570	
261-3	Pulp, paper, etc...	1,949	2,076	2,107	2,091	2,122	2,099	2,137	2,086	2,046	1,945	2,066	2,118	2,121	2,136	2,114	2,100	2,104	
265	Paperboard containers...	1,735	1,761	1,681	1,660	1,608	1,590	1,628	1,625	1,542	1,741	1,762	1,698	1,682	1,641	1,649	1,642	1,624	
264	All other paper containers...	2,132	2,102	2,081	2,047	1,934	1,933	1,869	1,836	1,743	2,115	2,135	2,088	2,077	1,851	1,861	1,843	1,842	
28	Chemicals and allied products, total...	15,193	15,054	14,861	14,763	14,426	14,134	13,949	13,384	12,942	14,943	14,909	14,637	14,618	13,541	13,480	13,205	13,092	
281,6	Industrial chemicals, except pigments...	4,513	4,510	4,411	4,421	4,334	4,312	4,208	4,148	3,968	4,472	4,474	4,340	4,368	4,193	4,146	4,085	4,076	
283,4	Drugs, soap, and toiletries...	4,688	4,622	4,576	4,477	4,288	4,222	4,318	4,109	3,917	4,664	4,682	4,626	4,544	4,167	4,187	4,154	4,104	
29	Petroleum and coal products...	5,515	5,530	5,397	5,302	5,591	5,992	5,926	5,627	5,217	5,536	5,523	5,374	5,275	5,856	5,747	5,603	5,520	
30	Rubber and plastics products, n.e.c...	4,599	4,521	4,521	4,498	4,401	4,281	4,296	4,220	4,114	4,483	4,442	4,507	4,523	4,185	4,168	4,208	4,204	
23	All other nondurable goods industries...	10,955	10,841	10,602	10,511	10,235	9,868	9,637	9,655	9,590	11,125	11,160	11,111	10,831	9,875	10,048	10,114	9,978	
27																			

<sup>p</sup> Preliminary.<sup>r</sup> Revised. Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations.<sup>1</sup> The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; radio and TV; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondurable products-- Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances, radio and TV and electronic components), and the defense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products-- Based on separate reports on defense work filed by large defense contractors in the following industries: Ordnance, communication equipment, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense Oriented Industries, for the specified industries.

Table 5.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP  
(Millions of dollars)

Industry	Seasonally adjusted					Quarterly					Without seasonal adjustment						
	Monthly					Monthly					Monthly						
	Aug. 1978 <sup>a</sup>	July 1978 <sup>a</sup>	June 1978	May 1978	1 1978	IV 1977	III 1977	II 1977	I 1977	Aug. 1978 <sup>a</sup>	July 1978 <sup>a</sup>	June 1978	May 1978	Aug. 1977	July 1977	June 1977	May 1977
TOTAL																	
All manufacturing industries, total..	192,851	191,167	189,557	187,689	183,860	179,714	179,011	176,468	172,536	191,263	189,439	188,846	188,499	176,603	175,611	175,760	176,457
Durable goods industries, total.....	125,374	123,830	122,688	121,471	118,725	115,424	114,467	112,536	110,579	124,602	123,160	122,891	122,540	113,240	112,537	112,726	113,060
Stone, clay, and glass products.....	4,699	4,606	4,568	4,570	4,530	4,259	4,219	4,123	4,006	4,638	4,628	4,608	4,674	4,134	4,209	4,163	4,199
Primary metals.....	17,523	17,335	17,209	17,060	16,828	17,779	18,082	17,963	17,693	17,292	17,293	17,277	17,220	17,858	18,070	18,020	17,989
Fabricated metals.....	16,389	16,313	16,130	15,992	15,573	14,760	14,732	14,415	14,105	16,339	16,382	16,197	16,196	14,676	14,635	14,484	14,484
Nonferrous metals.....	29,413	29,062	28,729	27,400	26,379	26,379	25,431	25,060	24,600	28,793	28,793	28,794	28,793	24,988	25,002	25,036	25,036
Electrical machinery.....	16,886	16,758	16,628	16,445	16,023	15,433	15,173	14,884	14,404	16,871	16,817	16,925	16,931	15,027	15,151	15,048	15,048
Transportation equipment.....	23,587	23,010	22,784	22,743	22,127	21,258	21,492	20,969	20,725	22,446	22,379	22,379	22,579	21,296	20,436	20,583	20,942
Instruments and related products.....	6,284	6,199	6,203	6,140	6,087	5,727	5,642	5,436	5,410	6,305	6,237	6,279	6,220	5,617	5,580	5,506	5,565
All other durable goods industries.....	10,593	10,547	10,399	10,242	10,157	9,829	9,696	9,688	9,636	10,576	10,564	10,432	10,327	9,634	9,691	9,727	9,811
Non-durable goods industries, total.....	67,477	67,337	66,869	66,218	65,135	64,290	64,544	63,932	61,937	66,661	66,279	65,955	65,959	63,663	63,074	63,034	63,397
Chemicals and allied products.....	15,193	15,034	14,861	14,763	14,426	13,949	13,949	13,384	12,942	14,963	14,909	14,837	14,837	13,541	13,480	13,205	13,092
Petroleum and coal products.....	5,515	5,530	5,397	5,302	5,191	5,092	5,026	4,926	4,814	5,536	5,523	5,374	5,374	5,856	5,747	5,603	5,520
Rubber and plastics products, n.e.c.....	4,599	4,521	4,481	4,401	4,281	4,281	4,281	4,281	4,114	4,483	4,442	4,507	4,523	4,185	4,168	4,208	4,204
All other non-durable goods industries..	42,170	42,232	42,090	41,655	40,717	39,883	40,373	40,701	39,684	41,699	41,405	41,437	41,543	39,781	39,679	40,018	40,581
MATERIALS AND SUPPLIES																	
All manufacturing industries, total..	66,475	65,872	65,981	65,309	64,277	63,821	64,799	64,837	62,668	66,149	65,349	65,252	64,812	64,323	63,819	64,082	63,751
Durable goods industries, total.....	40,393	39,727	39,667	39,484	38,547	38,719	39,072	38,675	37,104	40,469	39,611	39,405	39,177	38,969	38,421	38,416	37,899
Stone, clay, and glass products.....	1,808	1,755	1,736	1,725	1,692	1,706	1,688	1,622	1,565	1,790	1,754	1,727	1,730	1,660	1,618	1,615	1,605
Primary metals.....	6,587	6,394	6,444	6,427	6,393	7,141	7,373	7,007	6,585	6,516	6,366	6,424	6,313	7,383	7,447	7,428	7,279
Fabricated metals.....	5,858	5,816	5,828	5,828	5,828	5,515	5,875	5,875	5,685	5,852	5,894	5,764	5,916	5,984	5,936	5,825	5,825
Nonferrous metals.....	8,170	8,155	8,012	7,897	7,487	7,345	7,060	6,899	6,844	8,191	8,217	8,002	7,903	6,910	6,998	6,876	6,876
Electrical machinery.....	4,906	4,873	4,819	4,729	4,581	4,520	4,520	4,397	4,276	4,934	4,940	4,844	4,780	4,498	4,488	4,417	4,367
Transportation equipment.....	6,870	6,541	6,736	6,822	6,782	6,733	6,843	6,613	6,271	6,917	6,213	6,612	6,684	6,863	6,909	6,481	6,272
Instruments and related products.....	1,800	1,822	1,830	1,846	1,860	1,749	1,780	1,752	1,751	1,839	1,842	1,831	1,852	1,802	1,794	1,753	1,803
All other durable goods industries.....	4,394	4,371	4,247	4,210	4,108	4,010	3,933	3,937	3,852	4,430	4,385	4,201	4,121	3,937	3,994	3,893	3,872
Non-durable goods industries, total.....	26,082	26,145	25,825	25,730	25,102	25,102	25,727	26,162	25,564	25,680	25,738	25,847	25,637	25,354	25,398	25,666	25,852
Chemicals and allied products.....	5,489	5,498	5,335	5,226	5,102	5,084	5,102	5,036	4,880	5,469	5,458	5,328	5,247	5,045	4,984	4,943	4,918
Petroleum and coal products.....	1,411	1,427	1,369	1,369	1,369	1,437	1,436	1,411	1,420	1,368	1,378	1,463	1,463	1,402	1,425	1,450	1,454
Rubber and plastics products, n.e.c.....	1,468	1,457	1,434	1,464	1,447	1,373	1,397	1,437	1,501	1,514	1,485	1,440	1,437	1,449	1,453	1,443	1,442
All other non-durable goods industries..	17,714	17,794	18,013	17,657	17,571	17,208	17,792	18,278	17,763	17,349	17,417	17,616	17,549	17,383	17,536	17,830	18,038
WORK IN PROCESS																	
All manufacturing industries, total..	63,724	63,111	61,961	61,320	59,699	56,980	56,238	54,746	55,080	63,661	62,884	61,761	61,562	55,791	55,215	54,576	55,377
Durable goods industries, total.....	53,357	52,763	51,684	50,966	49,491	46,864	46,227	44,884	45,296	53,247	52,508	51,502	51,228	45,832	45,232	44,734	45,469
Stone, clay, and glass products.....	690	665	696	690	684	640	640	604	592	680	670	706	724	615	608	613	620
Primary metals.....	6,012	5,998	5,814	5,760	5,690	5,760	5,949	5,881	5,938	6,049	6,080	5,843	5,851	6,021	6,038	5,907	5,977
Fabricated metals.....	6,559	6,371	6,254	6,154	6,154	5,413	5,272	4,953	4,920	6,611	6,590	6,418	6,355	5,263	5,124	4,998	5,036
Nonferrous metals.....	13,397	13,102	13,048	12,723	12,457	11,080	11,365	11,080	10,886	13,245	12,899	12,980	12,795	11,120	10,887	11,024	11,070
Electrical machinery.....	7,528	7,456	7,452	7,410	7,259	6,835	6,690	6,527	6,291	7,571	7,485	7,505	7,476	6,634	6,565	6,576	6,553
Transportation equipment.....	13,812	13,698	13,126	13,018	12,266	11,655	11,718	11,529	12,346	13,740	13,532	12,896	12,963	11,644	11,617	11,316	11,956
Instruments and related products.....	2,972	2,877	2,827	2,838	2,768	2,578	2,472	2,267	2,268	2,964	2,882	2,867	2,850	2,418	2,374	2,302	2,273
All other durable goods industries.....	2,387	2,394	2,350	2,291	2,213	2,170	2,121	2,053	2,035	2,387	2,370	2,287	2,214	2,117	2,041	1,998	1,984
Non-durable goods industries, total.....	10,367	10,348	10,277	10,354	10,208	10,116	10,011	9,862	9,784	10,414	10,376	10,259	10,334	9,959	9,983	9,842	9,908
Chemicals and allied products.....	2,345	2,327	2,262	2,308	2,226	2,264	2,209	2,102	2,055	2,328	2,317	2,276	2,318	2,112	2,124	2,119	2,106
Petroleum and coal products.....	1,305	1,328	1,286	1,274	1,385	1,374	1,402	1,322	1,293	1,311	1,360	1,322	1,319	1,363	1,395	1,361	1,371
Rubber and plastics products, n.e.c.....	783	764	762	760	726	703	687	689	683	778	744	741	729	678	662	670	670
All other non-durable goods industries..	5,934	5,929	5,967	6,012	5,871	5,775	5,713	5,749	5,753	5,997	5,955	5,920	5,968	5,806	5,802	5,692	5,761
FINISHED GOODS																	
All manufacturing industries, total..	62,652	62,184	61,615	61,060	59,884	58,914	57,974	56,889	54,786	61,453	61,206	61,833	62,125	56,488	56,574	57,106	57,329
Durable goods industries, total.....	31,624	31,340	31,337	31,021	30,687	29,843	29,169	28,980	28,178	30,886	31,004	31,984	32,135	28,437	28,882	29,579	29,691
Stone, clay, and glass products.....	2,201	2,186	2,137	2,153	2,154	1,903	1,890	1,890	1,849	2,168	2,204	2,175	2,220	1,859	1,984	1,935	1,974
Primary metals.....	4,924	4,943	4,951	4,893	4,745	4,878	4,761	4,632	4,376	4,727	4,847	4,801	4,801	4,595	4,585	4,686	4,734
Fabricated metals.....	3,972	3,924	3,916	3,910	3,785	3,832	3,585	3,456	3,500	3,876	3,898	4,015	4,047	3,497	3,526	3,551	3,630
Nonferrous metals.....	7,846	7,805	7,706	7,659	7,446	7,231	7,003	7,003	6,870	7,615	7,677	7,812	7,833	6,966	7,119	7,174	7,090
Electrical machinery.....	4,452	4,429	4,357	4,306	4,183	4,079	3,963	3,963	3,838	4,366	4,392	4,576	4,537	3,896	3,881	4,159	4,127
Transportation equipment.....	2,905	2,771	2,922	2,903	2,709	2,870	2,931	2,837	2,606	2,873	2,882	2,871	2,932	2,714	2,721	2,781	2,748
Instruments and related products.....	1,512	1,500	1,546	1,456	1,459	1,400	1,390	1,390	1,391	1,581	1,581	1,581	1,581	1,397	1,411	1,451	1,468
All other durable goods industries.....	3,812	3,782	3,802	3,741	3,836	3,650	3,644	3,698	3,748	3,759	3,809	3,944	3,992	3,581</			

Table 6.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1973-1977	
	July-August 1978	June-July 1978	May-June 1978	3 months			12 months	Average rise	Average decline
				May-August 1978	April-July 1978	March-June 1978	Aug. 1977-Aug. 1978		
Shipments:									
All manufacturing industries.....	+3.3	-1.4	+1.0	+1.0	-0.4	+1.0	+1.1	+1.5	-1.2
Durable goods industries, total.....	+4.6	-1.6	+1.3	+1.4	-0.6	+1.0	+1.3	+1.8	-1.9
Nondurable goods industries, total.....	+1.8	-1.1	+0.7	+0.5	-0.2	+1.1	+0.9	+1.7	-0.7
Total inventories:									
All manufacturing industries.....	+0.9	+0.8	+1.0	+0.9	+1.0	+1.0	+0.7	+1.0	-0.3
New orders:									
All manufacturing industries.....	+5.5	-3.4	-0.7	+0.5	-1.3	+0.5	+1.2	+2.0	-1.4
Durable goods industries, total.....	+9.0	-5.3	-1.7	+0.7	-2.3	-0.1	+1.6	+2.9	-2.1
Nondurable goods industries, total.....	+1.6	-1.1	+0.6	+0.4	0.0	+1.2	+0.9	+1.8	-0.8
Unfilled orders:									
Durable goods industries, total.....	+1.4	0.0	+1.2	+0.9	+1.2	+1.8	+1.6	+1.6	-0.9

Table 7.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories--shipments ratio				Unfilled orders--shipments ratio <sup>1</sup> (months' backlog)			
	August 1978 <sup>P</sup>	July 1978 <sup>T</sup>	June 1978	May 1978	August 1978 <sup>P</sup>	July 1978 <sup>T</sup>	June 1978	May 1978
All manufacturing industries, total.....	1.52	1.55	1.52	1.52	3.23	3.33	3.29	3.28
Durable goods industries, total.....	1.84	1.90	1.85	1.86	3.82	3.96	3.90	3.94
Stone, clay, and glass products.....	1.24	1.26	1.23	1.23	0.80	0.85	0.85	0.86
Primary metals.....	1.70	1.75	1.75	1.77	2.31	2.35	2.34	2.33
Fabricated metals.....	1.99	2.16	2.04	2.03	3.35	3.67	3.52	3.55
Machinery, except electrical.....	2.53	2.54	2.52	2.55	4.73	4.78	4.78	4.91
Electrical machinery.....	2.01	2.08	2.04	2.07	3.39	3.51	3.49	3.59
Transportation equipment.....	1.45	1.48	1.43	1.42	8.32	8.96	8.60	8.54
Instruments and related products.....	2.34	2.40	2.32	2.36	1.72	1.80	1.68	1.72
Nondurable goods industries, total.....	1.15	1.16	1.14	1.14	0.77	0.77	0.76	0.72
Food and kindred products.....	0.92	0.94	0.93	0.91	(X)	(X)	(X)	(X)
Tobacco products.....	3.67	4.11	3.65	4.24	(X)	(X)	(X)	(X)
Textile mill products.....	1.48	1.52	1.52	1.47	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.20	1.22	1.22	1.21	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.50	1.45	1.39	1.42	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.62	0.64	0.63	0.63	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.34	1.39	1.38	1.39	(X)	(X)	(X)	(X)

(NA) Not available. <sup>P</sup>Preliminary. <sup>T</sup>Revised. (X) Not applicable.<sup>1</sup>Excludes the following industries with no unfilled orders: Wood and lumber products; glass containers; metal cans, barrels and drums; farm machinery and equipment; motor vehicle assembly operation; other transportation equipment; foods and related products; tobacco; apparel and related products; building paper; die-cut paper and board; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.



The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

## DESCRIPTION OF SURVEY

The Manufacturers' Shipments, Inventories, and Orders Survey (M3-1) provides monthly figures that are comparable to the annual totals published each year in the Annual Survey of Manufactures (ASM). The ASM is a probability sample of approximately 70,000 manufacturing establishments drawn from the most recent 5-year census universe of about 312,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. Until 1976, the ASM did not compile information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification (SIC) system and area data for industry groups.

The estimates presented in the M3 report are based on a sample panel of approximately 5,000 reporting units, consisting of virtually all manufacturing companies with 1,000 or more employees and additional medium-sized companies that strengthen the sample coverage in individual industry cells. The reporting unit for many medium- or single-line companies comprises all operations of the company. Many of the larger diversified companies file separate divisional reports for their operations in different industries, although this divisional reporting is not followed by all large companies.

Each reporting unit in the monthly panel is classified into one of 79 industry classifications for tabulation. Many of the reporting units included mixed industry activity even within the broad industry categories of the monthly survey. However, the survey estimating procedure assumes that the month-to-month changes of the reporting units classified in each industry category effectively represent the month-to-month movements of the establishments in the SIC industries which make up the category. This ratio estimating procedure is used for all items compiled in the survey except for new orders which is discussed separately below.

The M3 series is periodically benchmarked to the ASM for shipments and inventories. The most recent benchmark was for 1974 through 1976 and issued in the report M3-1.7 released in March 1978. In the absence of benchmark data for unfilled orders, levels were set in August 1962 based upon the ratio of unfilled orders to sales for companies reporting in the M3. These levels were reset as of December 1973 in the M3-1.6 benchmark publication released in December 1976.

The M3 data are subject to some limitations primarily resulting from the relatively small sample used to develop the estimates and the use of divisional and company reports to extrapolate establishment based data. Precise measurement of these limitations based on estimates of the sampling errors is not available. In addition to the general limitations of M3 survey data, the estimated levels of unfilled orders are subject to further limitations due to the assumptions made in developing these levels, the definition of unfilled orders, and response difficulties. These limitations are discussed in greater detail on

pages i-iv in the introductory chapter of the latest benchmark publication mentioned above. Generally, the limitations to the unfilled orders data primarily apply to the absolute level of unfilled orders and, to a much lesser extent, to the month-to-month change in unfilled orders. Since this month-to-month change in unfilled orders is used to develop the monthly estimates of new orders, the estimates of new orders are subject to fewer limitations than the unfilled orders estimates.

To remedy the deficiencies of the presently published levels of unfilled orders, an independent benchmark survey of unfilled orders was initiated in 1977. Results from this survey should be available in the latter part of 1978.

## EXPLANATION OF TERMS

*Value of Shipments*—Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for other, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the ship building industry the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments. Value of work done is also reported by aircraft and missile producers working on cost-plus contracts.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for all the manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from the division of the company to another as if they were net sales to outside customers. Although this definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

*Inventories*—End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

*New Orders and Unfilled Orders*—The unfilled orders shown in this publication represent the net sales value of goods on order which have not been shipped. They are net of cancellations and include all adjustments resulting from contract

change documents. Only those orders supported by binding legal documents such as signed contracts or letter contracts are included. Some large defense contracts are authorized and funded in several stages. Only the funded portion of such contracts are included in these figures.

New orders are not calculated according to the standard ratio estimate procedure, even though they are collected as a separate item. The reason for this is that not all companies report new orders, and some that do limit their reporting to specific products for which long lead times are required in the production cycle. These companies, in effect, exclude new orders received for products that are shipped from inventory. To take advantage of the higher response rate for shipments data and to include orders filled from inventory, new orders are computed by adding the change in the backlog of unfilled orders to the current month's shipments. Thus, the estimate of new orders includes orders that are received and filled in the same month as well as orders that have not yet been filled. The estimate also includes the effects of cancellations and modifications of previously existing contracts.

Seasonally adjusted new orders are similarly derived from the monthly change in the seasonally adjusted backlog of unfilled orders and seasonally adjusted shipments. Many nondurable goods industries and some durable goods industries have no backlog of unfilled orders. Shipments are used as the estimate of new orders in these industries.





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